GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4579
ANSWERED ON:25.04.2008
IMPORT OF NAPHTHA
Sujatha Smt. C.S.

Will the Minister of POWER be pleased to state:

(a) whether there is steep rise in the price of Naphtha;

(b) if so, whether the cost of production of power generation in Naphtha based units has increased;

(c) if so, the details thereof;

(d) whether the Government consider exemption of Naphtha from Excise duty to tide over the present crisis faced by Naphtha based units in the country; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER(SHRI JAIRAM RAMESH)

(a) : Yes, Sir. The price of Naphtha has increased from Rs.34,898/Metric Tonne (MT) in March, 2007 to Rs.46,148/MT in March, 2008.

(b) & (c) : Yes, Sir. The increase in price of Naphtha has resulted in an increase in the variable cost component of the cost of generation in Naphtha based power plants. The variable component of the average cost of sale of energy has gone up from Rs.5.96/kWh in 2006-07 to Rs.7.37/kWh in 2007-08 (Prov.) in the case of Rajiv Gandhi Combined Cycle Power Station of NTPC Ltd.

(d) : No, Sir. At present there is no proposal under consideration of Government to exempt naphtha for generation of power from Excise duty.

(e) : Does not arise in view of (d) above.